

EXHIBIT 2



ORRICK, HERRINGTON & SUTCLIFFE LLP
WASHINGTON HARBOUR
3050 K STREET, NW
WASHINGTON, DC 20007-5135
tel 202-339-8400
fax 202-339-8500
WWW.ORRICK.COM

February 16, 2006

David T. Austern, Futures Representative
c/o Claims Resolution Management Corporation
3110 Fairview Park Drive, Suite 200
Falls Church, VA 22042-0683

Re: W.R. Grace & Co.

Dear David:

As you know, I and the rest of the bankruptcy group from Swidler Berlin LLP ("Swidler") are now with the firm of Orrick, Herrington & Sutcliffe LLP ("Orrick"). Based upon our discussions, I understand that you wish to retain Orrick to represent you in connection with the same matters for which you had previously retained Swidler. This letter memorializes the essential terms of our agreement concerning this representation. Our retention is subject to approval of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

You have asked us, and we have agreed, to represent and provide legal advice to you, in your capacity as the legal representative of persons who may assert asbestos-related claims or demands in the future (the "Futures Representative") in connection with the case commenced by W.R. Grace & Co. and its affiliates (collectively, "W.R. Grace") under Chapter 11 of the United States Bankruptcy Code (the "Chapter 11 Case"). In connection with this representation, we will:

- provide legal advice and representation to you with respect to the Futures Representative's powers and duties in connection with the Chapter 11 Case and any matters which may arise, including in connection with appropriate due diligence, the formulation of a plan of reorganization and one or more asbestos-payment trusts, and other matters;
- prepare and file on behalf of the Futures Representative all applications, motions, responses, objections and other pleadings in the Chapter 11 Case as may be necessary and as you authorize;



O R R I C K

David T. Austern, Futures Representative

February 16, 2006

Page 2

- appear on behalf of and represent the Futures Representative in the Chapter 11 Case at hearings, meetings of creditors and other meetings and proceedings, as appropriate;
- represent and advise the Futures Representative with respect to any contested matter, adversary proceeding, lawsuit or other proceeding in which you may become a party or otherwise appear in connection with this Chapter 11 Case; and
- represent and advise the Futures Representative with respect to any plan or plans of reorganization; and
- perform all other necessary legal services which you authorize as may be appropriate in connection with the Plan and the Chapter 11 Case.

In light of your ongoing responsibilities as the Futures Representative, you asked us to begin work on your behalf as of February 6, 2006, the day we joined the Firm.

W.R. Grace shall be responsible for payment of our bills to you. Our services will be billed at hourly rates for the legal personnel performing the services. Our current hourly rates for U.S.-based attorneys range from \$235 to \$755 per hour. Legal assistants' and others' rates are lower. We normally adjust our hourly rates annually in October based upon advancements within the firm, seniority and other factors. In addition to our fees, W.R. Grace will be responsible for those expenses we incur on your behalf, including disbursements for in-house services, including postage, telephone charges, duplicating, word processing, and the like, as well as certain third-party payments, including travel expenses, expenses for "working meals," computerized research, transcription costs, secretarial and other overtime, and other expenses incurred on the Futures Representative's behalf. In some instances, disbursements for in-house services may include the indirect expense associated with providing the service.

Professional fees and expenses incurred by the Futures Representative during the Chapter 11 Case are subject to the requirements of the Bankruptcy Code and to review and approval by the Bankruptcy Court. While we will provide periodic statements to you of the fees and expenses incurred on your behalf, our fees and expenses incurred during the Chapter 11 Case may only be paid as authorized by the Bankruptcy Court.

The Futures Representative has the right to terminate our representation at any time. If the Futures Representative does so, W.R. Grace will be responsible for the time, costs and charges incurred in connection with our representation up to the date of termination, including the costs to transfer the work to new counsel. We may also terminate our representation for any reason consistent with the applicable Rules of Professional Conduct. Upon termination of our



O R R I C K

David T. Austern, Futures Representative
February 16, 2006
Page 3

representation and full satisfaction of all outstanding fees, costs and charges, any balance remaining in the Futures Representative's account with us will be returned to W.R. Grace or as directed by the Bankruptcy Court.

We are continuing our process of checking for conflicts and connections to insure that we do not have or represent any interests adverse to the Futures Representative in these cases. We will advise you promptly of any matters that may arise upon the completion of our conflicts check.

If you have any questions about this letter or about our services, fees or statements rendered hereafter, please call me so that we can discuss them directly.

If the foregoing correctly sets out the terms of our engagement, please sign and date the enclosed copy of this letter and return it to me to confirm your agreement to engage us upon the terms set forth in this letter.

We appreciate your confidence in entrusting this matter to us.

Very truly yours,

Roger Frankel

AGREED:

DAVID T. AUSTERN, in his capacity
as Futures Representative for W.R. Grace & Co.,
and not individually

Dated: February 6, 2006